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INTRODUCTION TO THE AIRPORT IMPROVEMENT PROGRAMS  
FEDERAL AVIATION ADMINISTRATION WASHINGTON DC OFFICE OF  
AIRPORT PLANNING AND PROGRAMMING NOV 83

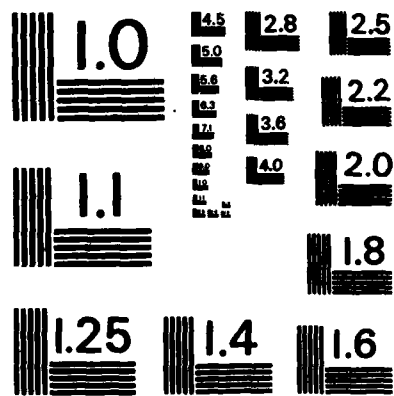
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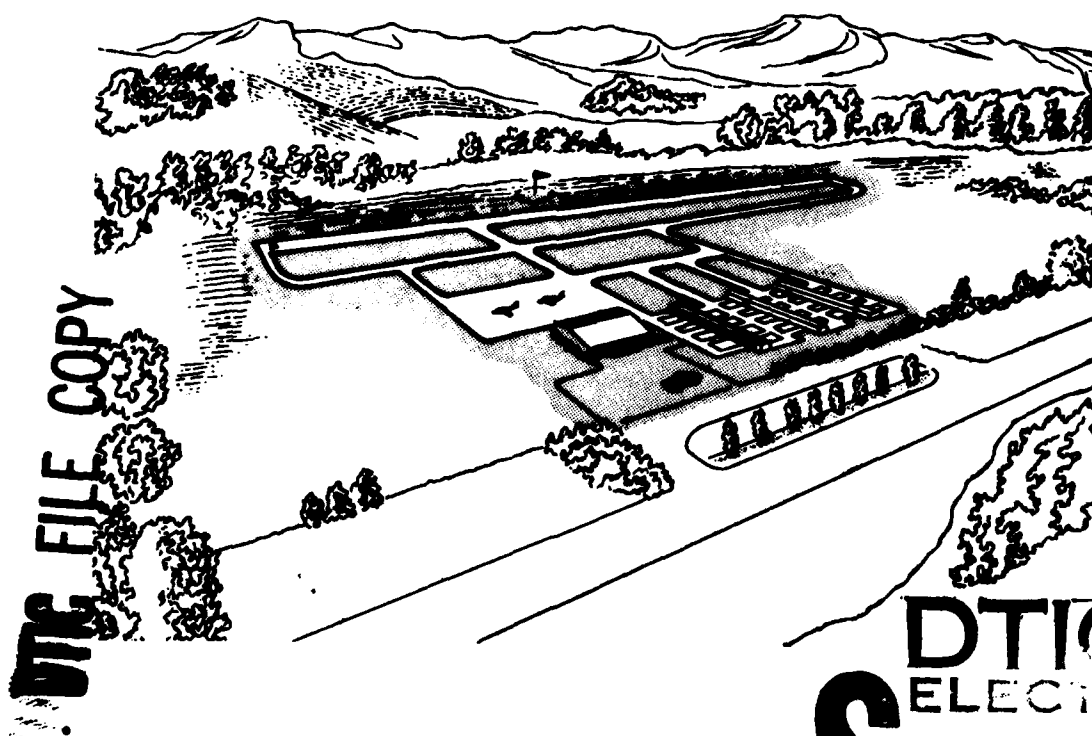
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**INTRODUCTION TO THE  
AIRPORT IMPROVEMENT PROGRAM**



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**AUG 20 1984**



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**U.S. Department of Transportation  
Federal Aviation Administration**

**OFFICE OF AIRPORT PLANNING AND PROGRAMMING  
NOVEMBER 1983**

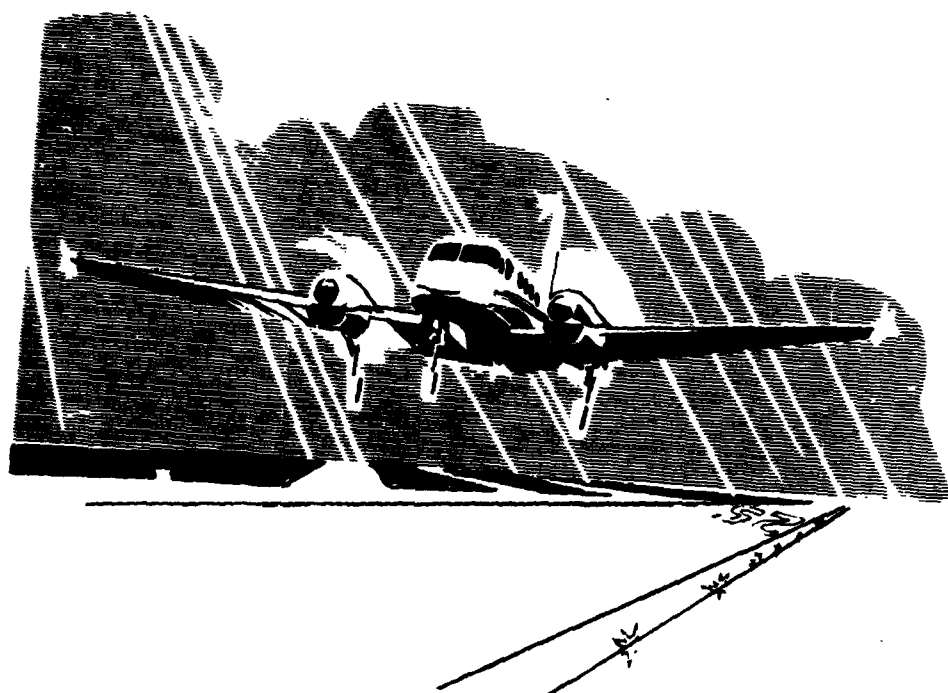
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## FOREWORD

This publication is intended to acquaint the reader with the Airport Improvement Program (AIP). Under this program which is administered by the Federal Aviation Administration (FAA), grants are made to public agencies, and in some cases, private owners or entities, for the planning and development of public-use airports included in the FAA prepared National Plan of Integrated Airport Systems. A broad overview of the program is provided in this publication which is divided into the following four sections: Background, Funding, Eligibility and Federal Share, and the Grant Process. Additional information on specific details of the AIP may be obtained from FAA offices listed in Appendix 1.



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## **BACKGROUND**

To promote the development of a system of airports to meet the Nation's needs, the Federal Government embarked on a grants-in-aid program to units of state and local government shortly after the end of World War II. This early program, the Federal-Aid Airport Program (FAAP), was authorized by the Federal Airport Act of 1946 and drew its funding from the general fund of the Treasury.

In 1970, a more comprehensive program was established with the passage of the Airport and Airway Development Act of 1970. This Act provided grants for airport planning under the Planning Grant Program (PGP) and for airport development under the Airport Development Aid Program (ADAP). These programs were funded from a newly established Airport and Airway Trust Fund, into which were deposited revenues from several aviation user taxes on such items as airline fares, air freight, and aviation fuel. The authority to issue grants under these two programs expired on September 30, 1981. During this 11 year period, 8,809 grants totalling \$4.5 billion were approved for airport planning and development.

The current grant program, known as the Airport Improvement Program (AIP), was established by the Airport and Airway Improvement Act of 1982 (Title V of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law 97-248, September 3, 1982), it continues to provide funding for airport planning and development, but under a single program. Funding through the Airport and Airway Trust Fund is also continued, along with many other features in the previous legislation. The 1982 Act also authorizes funds for noise compatibility planning and to carry out noise compatibility programs as set forth in the Aviation Safety and Noise Abatement Act of 1979 (P.L. 96-193).

## FUNDING

### *Revenue Sources*

The Airport and Airway Trust Fund, which was established by the Airport and Airway Revenue Act of 1970, provides the revenues used to fund AIP projects. The Trust Fund concept guarantees a stable funding source whereby users pay for the services they receive. Taxes or user fees are collected from the various segments of the aviation community and placed in the Trust Fund. These taxes include an 8 percent tax on airline tickets, a 5 percent tax on freight waybills, a \$3 international departure fee, a \$.12 and \$.14 per gallon tax on general aviation gasoline and jet fuel, respectively, and a \$.05 and \$.10 per pound tax on tires and tubes, respectively.

### *AIP Authorized Funding Levels*

The Airport and Airway Improvement Act of 1982, as amended, authorized the use of monies from the Airport and Airway Trust Fund to make grants under the Airport Improvement Program through fiscal year 1987, which ends on September 30, 1987. The following amounts (in millions) are authorized for the AIP:

1982	1983	1984	1985	1986	1987
450.0	800.0	993.5	987.0	1017.0	1017.2

Under the 1982 Act, the authorization for funds not obligated in a fiscal year carries forward to future fiscal years unless the Congress takes specific action to limit such amounts. During the annual appropriations process, Congress may also limit the funding for grants to an amount that differs from the above authorization.

### *Types of Airports*

The 1982 Act defines the eligible airports into four categories:

1. **Commercial Service Airports**—are publicly owned airports which enplane 2,500 or more passengers annually and receive scheduled service.
2. **Primary Airports**—are commercial service airports which enplane .01 percent or more of the total number of passengers enplaned annually. An airport has to enplane approximately 30,000 passengers to be a primary airport.

3. **Reliever Airports**—are airports designated by the FAA as having the function of relieving congestion at a commercial service airport and providing more general aviation access to the overall community.
4. **Other Airports**—The remaining airports, while not specifically defined in the Act, are referred to as general aviation airports.

Note: As used in the 1982 Act, the term airport includes heliports and seaplane bases.

#### *Funding Distribution*

The funds for the AIP are distributed in accordance with provisions contained in the 1982 Act. In grant parlance, funds distributed by formula for use at a specific airport or in a specific state or insular area are referred to as apportionments. The remaining funds are for use at the discretion of the Secretary of Transportation. Figure 1 shows the distribution.

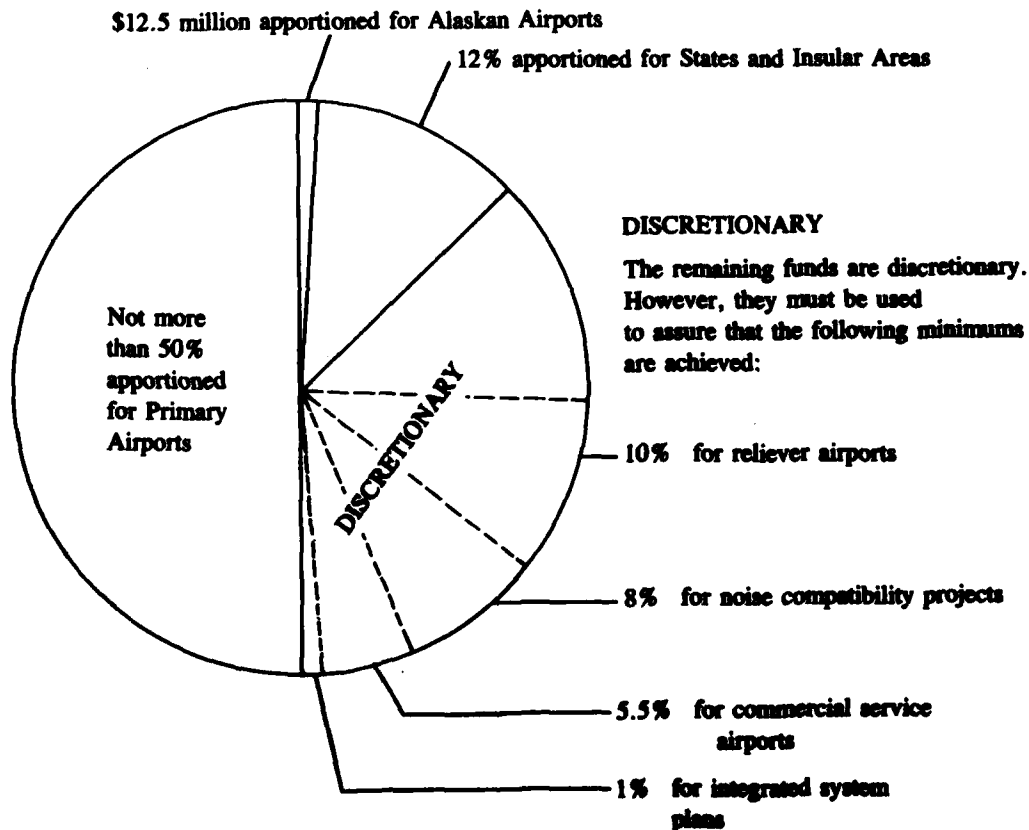


Figure 1. Distribution of AIP Funds



Under this formula, not more than 50 percent of the funds are apportioned to the owners or operators of primary airports. Each primary airport apportionment is based upon the number of passengers enplaning at the airport. Except for cases where appropriations actions may require adjustments, no primary airport is apportioned less than \$200,000 nor more than \$12,500,000 per year. This money remains available for use on eligible projects for the fiscal year in which it is first authorized and the two fiscal years immediately following.

A total of 12 percent of the annual authorization is for use within the states and insular areas. Under the 1982 Act, an area/population formula is used to distribute 99 percent of these funds (11.88 percent of the annual authorization) to the 50 states, the District of Columbia, and Puerto Rico for projects at all airports except commercial service airports. The remainder of these funds are for projects at airports other than primary airports in the insular areas (Guam, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands). Although these funds are designated for use in these political entities, the FAA has the responsibility for determining which airports should receive grants. Funds apportioned for use within the states and insular areas remain available for the fiscal year in which first authorized and the two fiscal years immediately following.

Additionally, Alaskan airports are apportioned at least as much money as they were apportioned in fiscal year 1980 under the previous legislation. This amounts to an additional \$12.5 million for the Alaskan airports each fiscal year.

The remaining funds are defined as discretionary, which means they can be used at any airport. However, a sizable portion must be used to achieve specific funding minimums. A minimum of 10 percent of all funds is for reliever airports, 5.5 percent is for nonprimary commercial service airports, 8 percent is for planning and implementing noise compatibility programs under the Aviation Safety and Noise Abatement Act of 1979, and 1 percent is for the preparation of integrated airport system plans.

## **ELIGIBILITY AND FEDERAL SHARE**

### *General*

Grants for planning, development, or noise compatibility projects under the AIP, are at or associated with individual public-use airports. As used in the 1982 Act, the term airport also includes heliports and seaplane bases. A public-use airport is an airport open to the public; and

1. publicly owned, or
2. privately owned but designated by the FAA as a reliever, or
3. privately owned but having scheduled service and at least 2,500 annual enplanements.

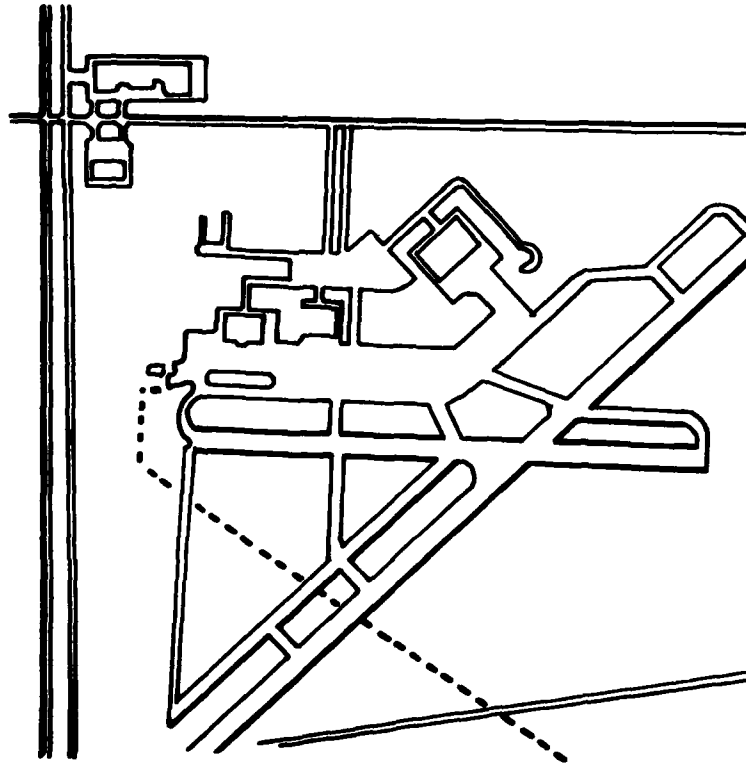
Further, to be eligible for a grant, an airport must be included in the National Plan of Integrated Airport Systems (NPIAS). The NPIAS, which is prepared by the FAA and published every 2 years, identifies public-use airports considered necessary to provide a safe, efficient, and integrated system of airports to meet the needs of civil aviation, national defense, and the Postal Service. The NPIAS currently contains approximately 3600 airports.

Recipients of grants are called sponsors. The description of eligible grant activities that follows also identifies basic qualifications that a sponsor must meet in order to receive a grant for that activity. In addition to these basic qualifications, a sponsor must be legally, financially, and otherwise able to assume and carry out the assurances and obligations contained in the project application and grant agreement.

### *Airport Planning*

Eligible planning projects may address planning on an areawide or individual airport basis. The planning process provides local officials an opportunity to examine aviation needs and issues that are applicable to their jurisdiction. The resulting information assists these officials in making decisions on airport policy and development. The information is also used by the FAA in preparing the NPIAS.

Areawide planning includes preparation of integrated airport system plans for states, regions, or metropolitan areas. These plans identify the aviation facilities needed to meet the current and future air transportation needs of the area.



Generally, metropolitan plans are limited to standard metropolitan statistical areas with a large or medium hub airport and regional plans are limited to state-established planning districts. Grants for integrated airport system planning are made to planning agencies having areawide jurisdiction over the area being studied.

Individual airport planning includes preparation of airport master plans and noise compatibility plans. An airport master plan addresses the needs of an individual airport and typically covers a 20-year period. The plan identifies aviation requirements and the facilities necessary to satisfy them while being compatible with the environment and community goals. A noise compatibility plan examines noise from aircraft using the airport and ways to mitigate its impact on the surrounding communities. The plan consists of noise exposure maps and a noise compatibility program developed in accordance with Federal Aviation Regulation Part 150, Airport Noise Compatibility Planning. Grants are made to the public agency or private entity that owns or operates the public-use airport for which the plan is being developed.

#### *Airport Development*

Eligible development projects may include facilities or equipment associated with the construction, improvement, or repair (excluding routine maintenance) of an airport. Typical work items include: land acquisition; site preparation; construction, alteration, and repair of runways, taxiways, aprons, and roads within airport boundaries; construction and installation of lighting, utilities, navigational

aids, and aviation-related weather reporting equipment; safety equipment required for certification of an airport facility; security equipment required of the sponsor by the Secretary of Transportation by rule or regulation; snow removal equipment; limited terminal development at commercial service airports; or equipment to measure runway surface friction. Grants may not be made for the construction of hangars, parking areas for automobiles, or for buildings not related to the safety of persons on the airport. Grants are made to the public agency or private entity that owns or operates the public-use airport.

### *Noise Compatibility Programs*

Eligible projects consist of items that are contained in an airport noise compatibility program approved under the provisions of Federal Aviation Regulation Part 150. Under a grandfather provision of the law, grants may also be issued to implement elements of noise compatibility programs developed prior to Part 150. Grants can be made to public agencies or private entities that own or operate the public-use airport, or to units of local government in the area surrounding the public-use airport.

### *Federal Share of Project*

The Federal share of costs associated with integrated airport system planning is 90 percent. The Federal share of costs for a project at or associated with an individual airport is shown in Figure 2.

**FIGURE 2. Federal Share (Percentage of Project Costs)**

Type of Project	Type of Airport	
	Large Primary Airports <sup>1</sup>	All Other Airports <sup>2</sup>
Individual Airport Planning <sup>3</sup>	75	90
Airport Development <sup>3</sup>	75	90
Noise Compatibility Programs	80	80
Terminal Development	50	50 <sup>4</sup>

<sup>1</sup>Large primary airports are primary airports that enplane .25 percent or more of the total annual U.S. enplanements. Approximately 70 airports qualify as large primary airports.

<sup>2</sup>This column includes all public-use airports not included in the first column.

<sup>3</sup>There may be an upward adjustment to these rates in Alaska, Arizona, California, Nevada, New Mexico, Oregon, Utah, and Washington due to the high percentage of Federally owned lands in them.

<sup>4</sup>This rate is applicable only to commercial service airports. The remaining airports are not eligible for terminal development.

## THE GRANT PROCESS

The AIP is administered in accordance with Federal Aviation Regulations and Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments. For the purpose of this publication, the grant process has been subdivided into three areas: pre-grant, grant, and post-grant.

### Pre-Grant

*Preliminary Meeting:* Persons interested in obtaining a grant under the AIP are invited to contact the appropriate FAA Airports office listed in Appendix 1 to discuss their proposed project. This meeting provides an opportunity to discuss the project scope and to familiarize the prospective applicant with grant requirements and procedures including the following:

1. *Grant Procedures:* FAA personnel will be able to provide the necessary preapplication and application forms and answer any questions on completing them. Information on deadline dates established for submission of the preapplication or application in order to be considered for inclusion in the current year's program can also be provided.
2. *Procurement:* Attachment O of OMB Circular A-102 contains the requirements for procurements under Federally funded grant programs. The basic tenet of this attachment is that procurements "shall be conducted in a manner that provides maximum open and free competition." Generally, this is achieved in the AIP through the use of competitive bids for construction or equipment acquisition contracts and use of competitive negotiation for professional services such as architect/engineering, legal, appraisal, etc. Sponsors should check with the FAA to assure that their proposed procurement methods comply with the Attachment O requirements before undertaking any procurement to be supported with AIP funds.
3. *Environment:* All proposed AIP projects must be reviewed by the FAA to determine their impact on the environment. The review can range from a determination that the proposed project is categorically excluded from further environmental analysis to a full-scale environmental impact statement. Sponsors are required to prepare the initial environmental assessment when one is necessary.

4. *Airport Layout Plan:* In connection with a project for airport development, the proposed work must be shown on an airport layout plan that has been approved by the FAA. The airport layout plan depicts the existing and future boundaries and facilities of the airport.
5. *Public Hearings:* If the proposed project involves the location of an airport, an airport runway, or a major runway extension, the sponsor must offer the opportunity for a public hearing for the purpose of considering the economic, social, and environmental effects of the airport or runway and its consistency with the goals and objectives of planning carried out by the community.
6. *Minority Business Enterprise (MBE) Program:* The purpose of the MBE program is to allow firms owned and controlled by minorities and women to take part in contracts supported by Federal funds. The sponsor must be familiar with the requirements of the program which includes the setting of goals for MBE participation.

*Preapplication:* The formal process begins with the filing of a preapplication. (Some projects such as planning or equipment purchases do not require a preapplication. In these instances, the formal process begins with the filing of the application.) In some states, state law requires that the preapplication be submitted through a state agency. The preapplication serves as a preliminary notice of the sponsor's interest and intent. The cost and work effort associated with submission of a preapplication is usually minimal and is eligible for reimbursement if a grant is issued for the project. The preapplication does not obligate the sponsor to undertake the proposed project, nor does its acceptance by the FAA imply that the proposed project will be funded under the AIP.

*Notice of Allocation:* The FAA reviews the preapplication for compliance with applicable requirements and considers its funding priority. If the proposed project is approved, the FAA issues a Notice of Allocation. This notice specifies the work items that have been designated for inclusion in the program and the amount of funds being reserved for these items. The notice is the first step leading to the issuance of a grant offer and provides reasonable assurance that the project will receive Federal funding. It allows the sponsor to proceed with the preparation of plans and specifications and the procurement of the necessary contractor services. The allocation is contingent upon the sponsor establishing and adhering to a schedule acceptable to the FAA for submission of the application. Failure to adhere to the schedule could result in the withdrawal of the allocation.

*Application:* The application is usually submitted after the cost of the project has been refined based upon a firm fixed price contract or unit prices received through the procurement process. The sponsor is also required to submit assurances as part of the application. These assurances address the sponsor's responsibilities

during the project as well as continuing obligations which remain in effect for the useful life of the facilities developed with Federal funds. The FAA reviews the application and, if satisfactory, issues a grant offer to the sponsor.

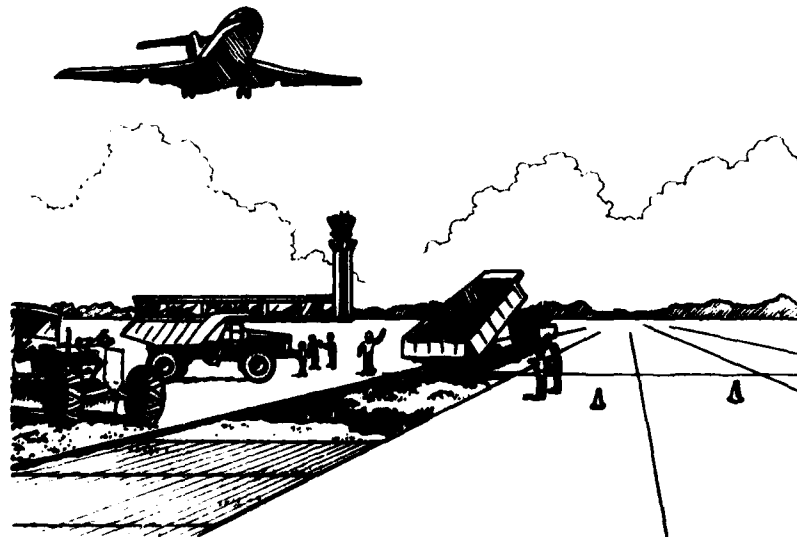
**Grant Agreement:** The grant is based upon the amount contained in the application, which is generally about the same amount specified in the Notice of Allocation. The grant agreement is comprised of two parts: the offer and acceptance. The offer sets forth the work to be accomplished in the project, the United States share of the project, and the maximum obligation of the United States. The sponsor is responsible for paying all project costs that exceed the maximum obligation. The acceptance of the offer by the sponsor completes the grant agreement and becomes a legal binding contract between the sponsor and the United States.

### Grant

**Project Monitoring:** The sponsor is responsible for monitoring performance under the project to assure time schedules are being met, the approved work items are being accomplished as specified in the grant agreement, and all other terms and conditions are being complied with. The FAA periodically reviews and inspects project progress.

**Payments:** Payment of the United States' share by the FAA is made as the project progresses by one of the three following methods: letter-of-credit, advance by Treasury check, and reimbursement by Treasury check. In the first two methods, the payment is timed as close as possible to the actual disbursement of funds by the sponsor. Payment under the last method is made after the sponsor incurs the expense.

**Allowable Costs:** Payment is made for the United States' share of the allowable costs. OMB Circular A-87, Cost Principles for State and Local Governments,



provides principles and standards for determining costs applicable under grants. A cost is allowable if it is

1. necessary in accomplishing the project in conformity with the terms and conditions of the grant;
2. incurred after the execution of the grant agreement (Note: certain project formulation and land acquisition costs may be eligible even if the costs were incurred prior to the grant agreement.);
3. reasonable in amount; and
4. not included in another Federally assisted project.

#### Post-Grant

**Audit:** The sponsor is responsible for having an independent audit of the accounts relating to the disposition of the funds provided by the grant. The sponsor has the option of fulfilling this requirement through an organization-wide audit of its total operations or an audit confined to transactions relating directly to the project.

**Assurances:** In accepting Federal aid for other than planning, the sponsor incurs obligations which continue after the project is financially complete. The assurances for an airport development project include such things as:

1. keeping the airport available for public use on fair and reasonable terms;
2. not granting an exclusive right to any persons providing aeronautical services to the public;
3. suitably operating and maintaining the airport;
4. taking appropriate action, to the extent reasonable, to achieve compatible uses of lands in the vicinity of the airport;
5. submitting annual or special financial and operations reports as the Secretary of Transportation may request, as well as making any records available for the Secretary's inspection; or
6. assuring that no person is excluded from participating in any activity conducted with or benefiting from grant funds on the grounds of race, creed, color, national origin, sex, age, or handicap.

Similar assurances apply to sponsors that receive grants to implement projects contained in noise compatibility programs. Assurances for planning projects relate to the project itself and do not obligate the sponsor beyond the duration of the planning effort.



## **APPENDIX 1. ADDITIONAL INFORMATION**

Additional information on the Airport Improvement Program may be obtained from FAA Regional Offices. The addresses and telephone numbers of these offices are listed below and the accompanying map shows their jurisdictional boundaries. The map also identifies locations where there are Airports District or Airports Field offices.

**FAA New England Region**  
Airports Division, ANE-600  
12 New England Executive Park  
Burlington, Massachusetts 01803  
617-273-7235

**FAA Southwest Region**  
Airports Division  
4400 Blue Mound Road  
Fort Worth, Texas 76106  
817-877-2600

**FAA Eastern Region**  
Airports Division, AEA-600  
The Fitzgerald Federal Building  
John F. Kennedy International Airport  
Jamaica, New York 11430  
212-917-1239

**FAA Northwest Mountain Region**  
Airports Division, ANM-600  
17900 Pacific Highway South  
C-68966  
Seattle, Washington 96168  
206-431-2600

**FAA Southern Region**  
Airports Division, ASO-600  
3400 Norman Berry Drive  
East Point, Georgia 30344  
404-763-7288

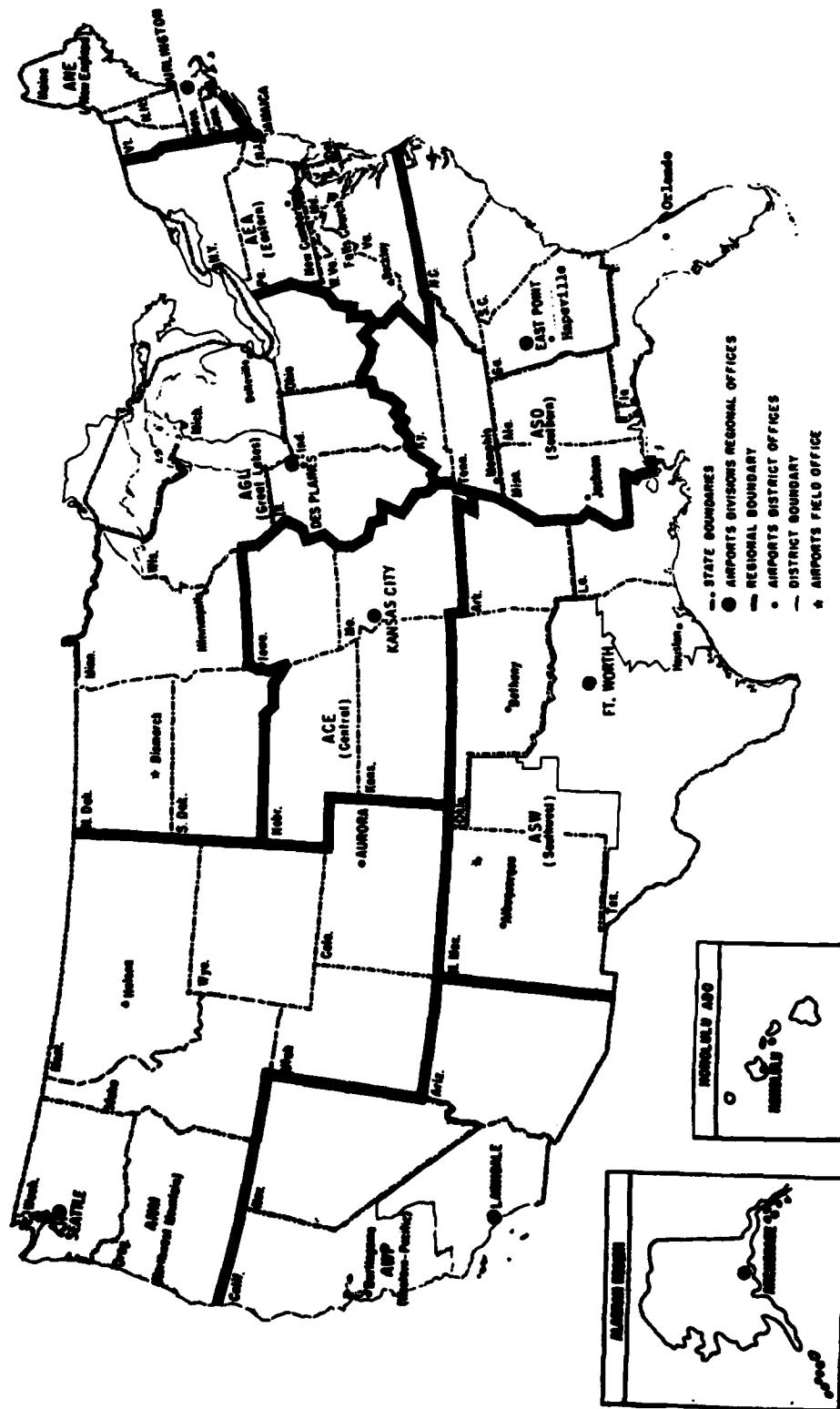
**FAA Western-Pacific Region**  
Airports Division, AWP-600  
15000 Aviation Boulevard  
Lawndale, California 90261  
213-536-6240

**FAA Great Lakes Region**  
Airports Division, AGL-600  
2300 East Devon Avenue  
Des Plaines, Illinois 60018  
312-694-7272

**FAA Alaskan Region**  
Airports Division, AAL-600  
Anchorage Federal Office Building  
701 C Street, Box 14  
Anchorage, Alaska 99513  
907-271-5438

**FAA Central Region**  
Airports Division, ACE-600  
Federal Building  
601 East 12th Street  
Kansas City, Missouri 64106  
816-374-5278

# FAA REGIONAL BOUNDARIES ( DESIGNATES AIRPORTS DIVISIONS AND AIRPORTS DISTRICT / FIELD OFFICES )



## NOTES

\* U.S. GOVERNMENT PRINTING OFFICE: 1964 - 421-426 - 312/131